

House File 636 - Introduced

HOUSE FILE _____
BY SANDS

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act increasing the eligibility for the state child and
2 dependent care tax credit and including a retroactive
3 applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2285YH 83
6 tw/mg:sc/8

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1 1 Section 1. Section 422.12C, subsection 1, Code 2009, is
1 2 amended to read as follows:
1 3 1. The taxes imposed under this division, less the amounts
1 4 of nonrefundable credits allowed under this division, shall be
1 5 reduced by a child and dependent care credit equal to the
1 6 following percentages of the federal child and dependent care
1 7 credit provided in section 21 of the Internal Revenue Code:
1 8 a. For a taxpayer with net income of less than ~~ten~~ fifteen
1 9 thousand dollars, seventy-five percent.
1 10 b. For a taxpayer with net income of ~~ten~~ fifteen thousand
1 11 dollars or more but less than ~~twenty~~ twenty-five thousand
1 12 dollars, sixty-five percent.
1 13 c. For a taxpayer with net income of ~~twenty~~ twenty-five
1 14 thousand dollars or more but less than ~~twenty-five~~ thirty
1 15 thousand dollars, fifty-five percent.
1 16 d. For a taxpayer with net income of ~~twenty-five~~ thirty
1 17 thousand dollars or more but less than ~~thirty-five~~ forty
1 18 thousand dollars, fifty percent.
1 19 e. For a taxpayer with net income of ~~thirty-five~~ forty
1 20 thousand dollars or more but less than ~~forty~~ forty-five
1 21 thousand dollars, forty percent.
1 22 f. For a taxpayer with net income of ~~forty~~ forty-five
1 23 thousand dollars or more but less than ~~forty-five~~ fifty
1 24 thousand dollars, thirty percent.
1 25 g. For a taxpayer with net income of ~~forty-five~~ fifty
1 26 thousand dollars or more, zero percent.
1 27 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
1 28 retroactively to January 1, 2009, for tax years beginning on
1 29 or after that date.

EXPLANATION

1 30 This bill relates to the state child and dependent care tax
1 31 credit.
1 32
1 33 The amount of the tax credit is calculated as a percentage
1 34 of the amount of the credit for which a taxpayer is eligible
1 35 under the federal child and dependent care tax credit. The
2 1 percentage amount is determined on a graduated basis according
2 2 to the taxpayer's income with the amount of the credit
2 3 decreasing as income increases, eventually phasing out for
2 4 taxpayers with a net income of \$45,000 or more. The bill
2 5 increases the amount at which the credit is phased out to
2 6 \$50,000 and adjusts each of the other income thresholds upward
2 7 by \$5,000.
2 8 LSB 2285YH 83
2 9 tw/mg:sc/8